

SECTION 403(b) TAX-SHELTERED ANNUITY PARTNERSHIP FOR COMPLIANCE

What is a tax-sheltered annuity arrangement?

A tax-sheltered annuity arrangement as provided for under section 403(b) of the Internal Revenue Code (Code) is a retirement income vehicle enabling many employees of public schools and tax-exempt organizations described in section 501(c)(3) of the Code to defer taxation on retirement savings to future years. (Generally, section 501(c)(3) tax-exempt organizations are organized and operated exclusively for religious, charitable, scientific, literary and educational purposes.)

Why should I be interested in tax-sheltered annuity arrangements?

Employers and employees benefiting from tax-sheltered annuities have an interest in understanding and complying with the requirements of the tax law because failure to do so may result in the loss of tax benefits. There are aspects of the tax law governing tax-sheltered annuities that employers and their employees may not fully understand because of their complexities.

What programs does the IRS offer to help me understand tax-sheltered annuity arrangements?

The Internal Revenue Service (IRS) has initiated an educational outreach program designed to create a partnership between the IRS and the public in order to increase understanding and compliance with the tax law applicable to section 403(b) tax-sheltered annuity arrangements. This educational outreach program is called the **Section 403(b) Tax-Sheltered Annuity Partnership for Compliance**. Under the **Partnership for Compliance**, trained and experienced IRS employees will be made available to provide educational services relating to section 403(b) tax-sheltered annuity arrangements including delivering speeches, participating in panel discussions, conducting training sessions and helping prepare newsletter articles. Through these services, the IRS can provide information about the unique aspects of tax law applicable to tax-sheltered annuities and problems that arise with them. For example, information can be provided on the impact to both the employer and employee if excess contributions have been made, improper compensation has been included for calculating excludable amounts, or early distributions have been made to employees.

How do I request educational outreach?

Organizations interested in section 403(b) tax-sheltered annuities may request educational services under the **Partnership for Compliance** by preparing a **Letter of Request** (which bears the organization's letterhead) and mailing it to the **Appropriate Address** at least 60 days before the date that the educational service is desired. The **Letter of Request** should contain (at a minimum) the following information:

- Name of the Organization;
- Address of the Organization;
- Description of the employees to whom the Annuity has been made available (for example, Religious Organization, Public School, Public College/University, Private School/College, Hospital or Other. If 'Other', please specify);
- Type of Educational Service Required (for example, Speech, Panel Discussion, Training Session, News Article or Other. If 'Other', please specify);
- Focus of the Topic to be covered;
- Location of the desired Educational Service;
- Requested Date(s) of the desired Educational Service;
- Estimated audience size;
- Name of a Contact Person;
- Telephone Number of the identified Contact Person.

The IRS will respond with specifics regarding the availability of the requested services.

What should I do if I find a problem with my tax-sheltered annuity arrangement?

The IRS has established a number of compliance programs designed to enhance voluntary compliance with the tax law governing tax-sheltered annuity arrangements, by encouraging employers that make tax-sheltered annuities available for their employees to review the tax-sheltered annuity arrangement and correct any errors found. The IRS sponsors two voluntary compliance programs – one that involves self-correction of problems, and one that involves voluntary disclosure to the IRS and correction for a reasonable fee. For more information, please see [Revenue Procedure 2000-16](#), 2000-6 I.R.B. 518. Both programs enable all employees with tax-sheltered annuities to continue to enjoy the benefits of tax-free build-up of amounts the employees have saved for retirement. Of course, in addition to these voluntary compliance programs, the IRS will continue to conduct its examination program to ensure compliance of all retirement plans, including tax-sheltered annuity arrangements.

APPROPRIATE ADDRESSES FOR REQUEST FOR EDUCATIONAL SERVICES

Requests should be mailed to one of the following applicable addresses based on the location where the educational services are to be performed:

If Located In:	Please Mail To:
Connecticut, Massachusetts, Maine, New Hampshire, New York, Rhode Island or Vermont	EP Area Manager Internal Revenue Service TE/GE – Northeast Area GPO Box 029162 625 Fulton Street Brooklyn, NY 11201 Attn: IRC 403(b) Educational Coordinator
Delaware, District of Columbia, Maryland, New Jersey, North Carolina, Pennsylvania, South Carolina or Virginia	EP Area Manager Internal Revenue Service TE/GE – Mid-Atlantic Area 1601 Market Street 19 th Floor Philadelphia, PA 19103 Attn: IRC 403(b) Educational Coordinator
Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, Tennessee or Texas	EP Area Manager Internal Revenue Service TE/GE – Gulf Coast Area MC 4900 DAL 1100 Commerce Street Dallas, Texas 75242 Attn: IRC 403(b) Educational Coordinator
Illinois, Indiana, Kentucky, Michigan, Ohio, West Virginia or Wisconsin	EP Area Manager Internal Revenue Service TE/GE – Great Lakes Area Mail Code 4900 CHI 230 South Dearborn Street Chicago, Illinois 60604 Attn: IRC 403(b) Educational Coordinator

<p>Arizona, Colorado, Iowa, Kansas, Minnesota, Missouri, Montana, Nevada, New Mexico, North Dakota, Nebraska, South Dakota, Utah or Wyoming</p>	<p>EP Area Manager Internal Revenue Service TE/GE – Central Mountain Area MS 4400 SO 56 Inverness Drive East Inglewood, CO 80112</p> <p>Attn: IRC 403(b) Educational Coordinator</p>
<p>Alaska, California, Hawaii, Idaho, Oregon or Washington</p>	<p>EP Area Manager Internal Revenue Service TE/GE – Pacific Coast Area MS 7000 300 North Los Angeles Street Los Angeles, CA 90012</p> <p>Attn: IRC 403(b) Educational Coordinator</p>